

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6686

BILL NUMBER: HB 1146

NOTE PREPARED: Feb 26, 2003

BILL AMENDED: Feb 25, 2003

SUBJECT: Licensing of private detectives.

FIRST AUTHOR: Rep. Crawford

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill requires a person who wants to carry a firearm while conducting a private detective business to obtain a certificate by satisfactorily completing a firearms training program. The bill requires a background check for applicants for private detective licenses and their employees. The bill increases the amount of liability insurance coverage required for licensing as a private detective. The bill establishes a registration requirement for field employees of licensed private detectives. The bill provides for reciprocity with states that have licensing requirements at least equal to Indiana's licensing requirements and that recognize Indiana's private detective licenses. The bill repeals the provision that a private detective license does not authorize the licensee to carry a weapon.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) *Summary:* Under the bill, changes to the Professional Licensing Agency's (PLA) application for a Private Detective license would be necessary to incorporate additional requirements such as character references. Under the bill, all applicants for a private detective license would be required to submit proof of insurance in the amount of \$100,000 to the Private Detectives Licensing Board (the Board). (Current law allows private detective firms employing less than fifteen persons to post with the Board a surety bond in the amount \$7,000 to the Board in favor of the state if additional conditions are met by the licensed individual, who is the principal of the bond.)

Rules- Under the bill, the Board would be required to adopt rules regarding continuing education requirements, including the establishment of a fee for each hour of continuing education required by a license holder when the license is issued or renewed. Rules could be adopted during a regularly scheduled meeting of the Board. The Board meets approximately 12 times per year.

Firearm Possession- The bill requires applicants, who choose to carry a firearm while conducting private detective business, to pass a competency exam as well as a training program. Because the PLA does not currently administer an exam for this purpose, or have rules set that establish a firearms training program, it would need to develop both requirements. The Private Detective Licensing Board (the Board) could address these requirements during the course of a regular business meeting of the Board. The Board generally meets 12 times per year.

Background Check- The bill also requires that a background check be performed by the PLA. As this is not an activity of the PLA, the agency would need an additional person, possibly a contractor, to perform this duty. The agency would need to either supply the employee with a vehicle for travel or reimburse mileage. If a fee were adopted for background checks, it could offset the cost of conducting background checks.

For illustrative purposes, the following civilian background checks are performed or processed by the Indiana State Police:

Type of Check	Fee
Limited Criminal History	\$7
ID Billing	\$7
Review/Challenge (fingerprint check)	\$10
Non-Profit	\$0
Full Statewide (includes fingerprints)	\$10
National Volunteer Check (42 U.S.C. 5119a & IC 5-2-5-15)	\$28 (\$10 to State of Indiana, \$18 to Federal Government)
National Employment Check	\$34 (\$10 to State of Indiana, \$24 to Federal Government)

The following table shows the number of civilian background checks processed over the last three years:

Year	Number of Background Checks
CY 2001	265,278
CY 2000	262,661
CY 1999	215,426

Licenses, Pocket Cards, and IDs- This bill provides that all licenses, pocket cards, and identification cards issued must include either an endorsement to carry a firearm, or a designation of prohibition of carrying a firearm. Changing the information required would necessitate that new licenses, pocket cards, and identification cards be issued to new applicants. Private detective license counts as of December 2002 were 13,910 for authorized employees and 644 for agencies. The cost of producing a pocket card or wall license is approximately \$0.09. Replacing all pocket cards and wall licenses would cost approximately \$1,300.

Registration of Field Employees- The PLA currently has three types of licenses: Agency, Private Detective,

and Authorized Employee. As this bill requires that all field employees of a private detective agency register with the PLA and provide the same information as in applying for a Private Detective license, the agency may need to take similar actions to register a field employee as if creating a new license.

Explanation of State Revenues: (Revised) *Reciprocity*- The bill provides that an applicant already holding a private detective license from a state that has standards at least equal to Indiana's, and from which also extends the same recognition to Indiana's licensees, may work as a private detective in Indiana. Reciprocity is allowed for an assignment that originated outside of the state of licensure for a prescribed period of time.

Background: Currently, the PLA charges \$150 for issuance or renewal of a private detective license, \$10 for identification cards for authorized employees, or \$5 if the application for the identification card is made in the second year of the licensee's license, and \$75 for reinstatement of a delinquent license. Fees for private detective licenses are deposited in the state General Fund. In FY 2002, \$123,746 in fees were collected.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Private Detective Licensing Board, Professional Licensing Agency.

Local Agencies Affected:

Information Sources: Kim Garver, Professional Licensing Agency, (317) 232-3901; Indiana State Police.

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